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The following estimates, forecasts, and projections are mainly taken from recent publications of the National Agricultural Statistics Service, Economic Research Service, and the World Agricultural Outlook Board of the USDA.

♦**Wheat.** All wheat production is forecast at 2.33 billion bushels, down 200,000 bushels from last year. The World Agricultural Outlook Board (WAOB) projected 1999/2000 ending stocks up 48 million bushels from June, as higher production more than offset larger forecast domestic use. The projected price range for 1999/2000 is \$2.45 to \$2.95 per bushel.

♦**Corn.** The U.S. 1999 corn crop is projected at 9.65 billion bushels by the WAOB, up 205 million bushels from last month because of an increase in expected yields. The yield is up 4 bushels from June, at 135.8 bushels per acre. Plantings for 1999 are estimated at 77.6 million acres, down 3% from last year and harvested acreage is estimated at 71.0 million acres. The projected price range for the 1999 corn crop is \$1.65 to \$2.05 per bushel.

♦**Soybeans.** Soybean production for 1999 is projected by the WAOB at a record 2.94 billion bushels, 55 million bushels above last month. Plantings, at 74.2 million acres, are a record and average yield is expected to reach 40.0 bushels per acre, the highest since 1994. Ending stocks are projected at 590 million bushels for the 1999/2000 season. Soybean prices are projected at \$3.90 to \$4.70 per bushel, down from \$5.00 for the 1998 crop. Projected soybean meal prices are \$125-\$145 per short ton.

♦**Cotton.** The U.S. cotton outlook for 1999/2000 includes larger production, exports, and ending stocks relative to last month. The WAOB projected production is raised 4% based on larger area reported in the June 30 Acreage report. Ending stocks are now projected at 6.0 million bales, nearly 37% of total use, and the largest since 1988/89.

♦**All Oranges.** Production for the 1998-99 season is forecast at 9.74 million tons, down less than 1% from the June 1 forecast and down 29% from last season's record large production of 13.7 million tons.

♦**Other Crops.** Planted acreage for **sorghum** is estimated at 9.05 million acres, down 6% from last year. Acreage for grain, at 8.3 million acres, is up 7% from 1998. **Oats** planted totaled 4.66 million acres, down 5% from last year. Acreage for grain, at 2.64 million acres, is down 4% from 1998. **Barley** plantings and harvested acreage are both down 17% from last year, as producers planted 5.24 million acres and expect to harvest 4.89 million acres. **Rice** producers seeded an estimated 3.6 million acres, up 8% from last year. Harvested acreage is estimated at 3.57 million acres, up 8% from 1998.

♦**Cattle.** July 1 **cattle inventory**, at 106.8 million head, was down 1% from a year earlier. July 1 **cattle on feed** inventory in U.S. feedlots with capacity of 1,000 or more totaled 9.56 million head, up 4% from a year earlier. June placements were up 14% from the previous year with marketings of fed cattle 5% above 1998. During mid-July, **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$63 per cwt. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$77 per cwt. in mid-July, unchanged from mid-June.

♦**Hogs.** Hog slaughter fell 3% below a year earlier for the week ending July 24 after running heavier than expected the last of June and first half of July. Prices during mid-July (Iowa-Southern Minnesota direct, 230-250 pounds) were \$33 - \$34 per cwt, down \$2 - \$3 from mid-June. Third quarter prices are expected average \$31-33 per cwt compared with \$36.61 last year.

♦**Other Livestock.** June **milk production** was up 3.4% from the previous year. Production per cow increased 3.2%; however, the number of cows was almost unchanged from June 1998. The June **Basic Formula Price (BFP)** was \$11.42 per cwt, up 16 cents from May. **Cheddar cheese prices** (U.S. 40 pound blocks, wholesale) increased 4.0 cents for the first week of July and 4.8 cents for the second week. This suggests that the July BFP will increase. During May, total **cheese** production was 3.4% above the previous year, **butter** production was up 13%, and **nonfat dry milk** production was up 12.8%. U.S. **table egg production** during June totaled 5.63 billion, up 4% from a year ago. Wholesale market **egg prices** for the third quarter of 1999 are expected to average 66-68 cents per dozen, compared with 76.0 cents a year ago. Fourth quarter 1999 market egg prices (Grade A large, New York) are expected to average 72-78 cents per dozen, compared with 81.7 cents a year ago. As of the week ending July 17,

cumulative **broiler placements** for 1999 in 15 selected states were 4.06 billion, up 3% from the same period a year earlier. The wholesale 12-city average price for whole broilers for the third quarter of 1999 is expected to be 58-60 cents, compared to 70.4 cents for the third quarter of last year. Cumulative **turkey poult placements** for the 1999 marketing year were 244 million, 4% less than the same period a year ago. Placements in June, at 25.6 million, were 5% less than last June. Prices (8-16 lb. hens, Eastern Region) for the third quarter of 1999 are expected to be in the 69-71 cent range compared with 63.4 cents for the third quarter last year. **Supplies in refrigerated warehouses** at the end of June compared with a year earlier were: chicken, up 38; turkeys, down 15; pork, up 26; beef, down 8; cheese, up 16; and frozen orange juice, down 21%.

♦**Trade.** July 1999/2000 U.S. **trade projections** for corn and cotton improved while export prospects for wheat, rice, soybeans, beef, pork, broilers, and turkeys were unchanged from June. July projections for the volume of exports for the 1999/2000 marketing year compared to 1998/1999 are: **wheat** up 10%; **corn** unchanged; **rice** down 1%; **soybeans** up 18%; **soybean meal** up 22%; **soybean oil** down 13%; and **cotton** up 37%. July projections for the volume of meat exports in calendar 2000 compared to 1999 are: **beef** down 6%; **pork** down 4%; **broilers** down 1%; and **turkeys** up 1%. The **U.S. trade deficit** for goods and services increased to \$21.3 billion in May, from a revised \$18.6 billion April. The **U.S. agricultural trade surplus** was \$423 million in May, compared with \$470 million in April.

♦**Prices.** The rate of **inflation**, as monitored by the CPI for all urban consumers, was unchanged in June and has increased 2.0% over the last 12 months. The **PPI** decreased 0.1% in June. This followed an increase of 0.2% in May. For the 12-month period ending in June, the PPI increased 1.5%. The June **prime rate**, averaging 7.75%, was unchanged from May. Compared to a year earlier, **feed prices** in June were down 10%; **feeder livestock and poultry prices** up 6%; **fertilizer** down 8%; **ag chemicals** down 9%; **farm machinery** up 2%; **seeds** down 2%; and **fuels** up 3%.

♦**World Weather and Crop Developments** (July 11-17). Near- to below-normal temperatures prevailed nearly nationwide, benefiting summer crops in or approaching reproduction. Exceptions included **California**, where an early-week heat wave increased irrigation requirements, and the **northern Corn Belt**, where warmth spurred rapid crop development. Meanwhile, weekly readings averaged below normal temperatures in the **Southeast**, where frequent showers continued to stabilize crop conditions and boost soil moisture. On the **central and southern Plains**, several days of dry weather before the arrival of late-week thunderstorms allowed winter wheat harvesting to near completion. Across the **southern and eastern Corn Belt**, mostly dry weather, accompanied by increasing heat, reduced soil moisture for reproductive corn and soybeans. Farther east, dry weather and late-week heat brought further drought intensification from the **Mid-Atlantic States into New England**. Drought also persisted across the **interior Northwest**, despite scattered late-week showers and a return to very cool weather. Dry weather stressed spring-sown crops in southern **Russia**, while late-week rains benefited reproducing summer crops in western and eastern **Ukraine**. An unusual summer cool snap may have caused localized frost damage in the western Prairies of **Canada**. More rain in eastern **Europe** further delayed winter grain harvesting, while sporadic showers in western and central Europe benefited developing crops, but did not hamper winter-grain harvesting. Beneficial rain continued across Western **Australia's** winter grain belt. In central **Argentina**, unseasonably heavy rain boosted topsoil moisture for germinating to vegetative winter wheat, but hampered late wheat planting.

♦**Other News.** Preparations have begun for the ninth round of international **trade talks** to be launched at the World Trade Organization Ministerial Conference in Seattle this December. Over the course of the previous eight rounds, countries successfully lowered tariffs for manufactured goods from a trade-weighted, most-favored-nation (MFN) average of over 40% to about 4%. Lessons learned in reducing tariffs for manufactured goods will be beneficial in future negotiations on agricultural tariffs which are, on average, still much higher than those on manufactured items. South Korea was the fourth-largest destination for U.S. agricultural products in 1997, buying 5% of **U.S. agricultural exports**. But beginning in late 1997 and extending into 1998, Korea experienced a major economic shock-- including devaluation of its currency, a decline in the production of goods and services, and temporary inability to obtain credit. Agricultural imports fell by 28% in calendar-year 1998. The economy is now rebounding, following strong intervention by the government and the International Monetary Fund. Agricultural imports are rising again and the crisis appears to have only temporarily interrupted growth in this major U.S. agricultural market. Acreage using **genetically engineered crops** has increased from about 8 million acres in surveyed states in 1996 to more than 50 million acres in 1998. Genetically engineered Bt cotton was planted on 15% of the cotton acreage in 1996 and about 17% in 1998. Since 1995, use of Bt corn has grown from about 1% to 19%. Herbicide-tolerant soybeans became available to farmers for the first time and in limited quantities in 1996, but usage expanded from 17% of the soybean acreage in the major states surveyed in 1997 to more than 40% of the soybean acreage in 1998. The majority of farmers surveyed (ranging from 54 to 76% of adopters) indicated that the main reason they adopted genetically engineered crops with pest management traits was to "increase yields through improved pest control." The second reason, stated by 19-42% of adopters, was "to decrease pesticide costs."
